

ABOUT GROWTH

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Regulatory reform brings new investment to local communities

By Riley J. Atkins

Senior Associate, David Evans and Associates, Inc.

A recent study sponsored by the Washington Department of Community, Trade and Economic Development (CTED) found that communities combining growth management planning and environmental review have produced more than \$500 million in new investment in their communities. Another \$1.756 billion in investment was strongly influenced by

local planning decisions made through integrated growth management and environmental actions. In addition, both the local agencies and developers utilizing these new planning tools avoided more than \$1.3 million

in direct environmental costs.

In 1995 the Legislature amended the Growth Management Act (GMA) and State Environmental Policy Act (SEPA) under the Regulatory Reform Act to allow agencies planning under the GMA to integrate the SEPA process more thoroughly during the planning process. A number of tools were added to the SEPA process, most significantly the planned action. The planned action allows an agency to front load the environmental review during the planning phase for a subarea or master plan.

By conducting adequate environmental review

PLEASE SEE PAGE 3

**New development is
being drawn to Mill
Creek because of its
up-front environmental
review.**

CTED PHOTO/RITA R. ROBISON



'Simple and predictable' is key to success

By Bill Baarsma

Mayor, City of Tacoma

Please... keep it simple and predictable! It's a plea government regulators hear often, especially from businesses and developers. From taxes to building codes, private sector investors perform best when they can predict the process, calculate costs and timelines, and avoid surprises and delays.

Tacoma has a unique arsenal of products aimed at attracting new businesses and developers.

One of the most important is our permitting process. We guarantee developers will get their commercial building permit in eight weeks or less – or their money back! How can we do it? By working differently. Developers are partnered with an internal team that works the project at every phase. The result is no surprises, no delays, and quick permitting. The guarantee is for real

– we had to give the money back on just two permits in 2002. This process, the result of an extensive team review, required more staff and slightly higher fees. Despite added costs, the development community welcomed the idea, resulting in a win/win for both sides.

Another tool in our arsenal is a simplified zoning code. Tacoma's 1952 downtown code was about 70 pages, with conflicting and complicated regulations. A few years ago, we scoured the code and simplified it top to bottom, reducing it to about seven pages. This year we tackled our commercial and industrial regulations with similar results. Simpler and more predictable? You bet!

These are just two of the tools we use to draw investment to Tacoma. Combined with our welcoming business climate, they're paying off. Word is out that Tacoma is different. Our reputation as an excellent location for business and development is growing.

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CTED is the state's lead agency charged with providing financial and technical resources to build livable and sustainable communities.

Martha Choe, CTED Director

CTED administers the state's Growth Management Act. Its role is to assist and enable local governments to design their own programs to fit local needs and opportunities, consistent with the GMA.

Leonard Bauer, AICP,
Managing Director, Growth
Management Services

Rita R. Robison, AICP, Editor

About Growth features topics that are of high interest and strives to reflect a wide range of views from various perspectives. The views expressed are those of the authors and not necessarily CTED's opinions or positions.

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Regulations can help, rather than hinder, local community development



By Leonard Bauer, AICP
Managing Director, Growth
Management Services, OCD

Before the GMA was adopted in 1990, many Washington cities and counties had land use regulations that were developed a piece at a time, not necessarily consistent with each other nor based on a set of common goals. Some jurisdictions had no local regulations for development at all.

Under the GMA, development regulations need to carry out the comprehensive plan and be consistent with it for the state's 247 local governments with a full set of planning requirements. The regulations also need to be consistent with the GMA.

Development regulations are often criticized for being too burdensome and causing delays in getting permits. Critics say construction industry regulation translates into higher costs that are eventually passed on to the consumer.

However, because the GMA is a bottom-up approach and communities can devise a variety of ways to achieve their goals, development regulations can be used in innovative ways to help communities achieve their vision for the future. Communities can design their regulations to simplify local permit processes and provide incentives for the types of development that carry out the vision of their comprehensive plan.

Many local governments made development regulations easier for citizens and developers to follow when they adopted their first set of development regulations to carry out their new GMA comprehensive plans. Some also improved permit systems as they later revised their development codes.

Now many counties, cities, and towns in Washington have begun the process of reviewing their entire comprehensive plans and regulations to determine if they are achieving their intended goals. The Washington State Legislature has established deadlines for this review process for each county and its towns and cities planning under GMA.

One of our ongoing roles here at Growth Management Services is to provide information on the progress being made by local governments in meeting GMA goals. One important way we share information on growth management is to highlight local success

stories – good examples of growth management planning that are consistent with the GMA and are the kinds of projects the community wants. This newsletter regularly includes these kinds of examples, as described by local planners, elected officials, and citizens.

This issue of *About Growth* focuses on successes in crafting innovative development regulations that have helped communities achieve their vision for the future. A number of tools are featured, including the results of a recent study by CTED on the benefits and costs of integrating early environmental review with comprehensive planning projects.

The GMA is increasingly recognized as the framework for establishing local programs – both regulatory and non-regulatory – that help build or revitalize communities. The examples featured in this newsletter are just some of the local successes that demonstrate that GMA can and does work well throughout Washington.

Need help with planning challenges?

The Short Course on Local Planning may be just what you need to take a fresh look at new planning challenges in your area.

Offered for more than 20 years as a basic overview of land use planning in Washington state, you may now request a Short Course that is designed for a specific topic or a special audience. For example, as communities work on their comprehensive plans and development regulations' updates, they could use the Short Course as a learning/discussion forum on a specific topic, such as critical areas or housing. Or a particular audience – citizens, elected officials, or developers – may benefit from a Short Course focusing on innovative use of development regulations or combining SEPA and the GMA.

Growth Management Services has recently offered specialized Short Courses on growth management theory and implementation to the Washington Department of Ecology, Puget Sound Water Quality Action Team, and federal resource agencies.

There is no charge for the course. Call Ted Gage, senior planner, at 360-725-3049 or e-mail tedg@cted.wa.gov for further information.

Creative use of regulations to get what you want



Creative development regulations are helping to transform Renton's downtown.

CTED PHOTO/RITA R. ROBISON

By Jesse Tanner
Mayor, City of Renton

Renton's strong vision of a redeveloped downtown is attracting innovative development projects that have resulted in a major transformation of the city's central business district.

Renton's vision was to relocate long-established auto dealerships to an auto

mall outside of the downtown core. In place of expansive showrooms, garages, and parking lots, the city envisioned residential and retail development, a public park and banquet/meeting/exhibition space, and a transit center.

Cooperation on all levels – city and county government, the developer and builders, and businesses in the vicinity

of new downtown – was essential in attaining the goals of the community. Part of the cooperation consisted of efficient communication and the understanding by all parties that development standards are not "one-size-fits-all."

In order to achieve the city's goals, several ordinances were enacted that modified city development regulations. Because

the transit-oriented development (TOD) resulted in lower parking stall needs and residents of the building are provided a free, two-zone Metro bus pass by the developer, parking was reduced to one stall per unit. This lowered construction costs, allowed development of a 150 stall park-and-ride facility within the TOD, and supported use of the transit center.

Because of the narrow configuration of the TOD block, a code modification was required that allowed private use of the public right-of-way underground. This allowed a smaller turning area for cars so that the needed number of parking spaces could be achieved.

These are only two examples that resulted from effective communication of needs and mutual cooperation to meet those needs.

New Local Government Division assistant director selected

Nancy K. Ousley is the new assistant director for CTED's Local Government Division. Ousley will be overseeing six state programs, including Community Development Programs, Office of Archaeology and Historic Preservation, Growth Management Services, Safe and Drug-Free Communities, Public Works Board, and Local Government Fiscal Note Program.



Nancy Ousley

A native of Eastern Washington, Ousley has 17 years of experience in public policy and planning for local governments in Washington. She most recently served as assistant director of Seattle's Strategic Planning Office and also worked for ten years in the King County Planning and Community Development Division.

"As someone who has worked in local government, I am excited to bring that experience to statewide issues," said Ousley. "I look forward to working with communities as they implement the Growth Management Act."

To contact Ousley, call 360-725-3003 or e-mail nancyo@cted.wa.gov.

Regulatory reform brings new investment

CONTINUED FROM PAGE 1

up front, the agency would not require a developer to repeat it when applying for permits as long as the project was consistent with the plan and the environmental analysis. This streamlining of the SEPA process promised fewer delays and more predictability.

To test whether the promise of regulatory reform was being fulfilled, CTED asked David Evans and Associates to conduct 15 case studies on a broad spectrum of local governments that have used integrated SEPA/GMA processes.

The purpose of the project was twofold: (1) to test the assumption that the cost of early integrated planning (front loading the environmental studies) is less than the cost of project-by-project review; and (2) to gather "how-to" information to aid other cities, counties, and special districts that want to undertake an integrated SEPA/GMA planning process.

In addition to the key investment and cost findings identified above, the study also identified "lessons learned" that may benefit other jurisdictions considering

integrated SEPA/GMA planning. Some of the key lessons include the following:

- Redevelopment of blighted urban areas is conducive to designated planned actions.
- Greenfield development may pose challenges if it involves natural resource issues.
- Predicting impacts to the built environment is easier than to the natural environment.
- Political support must be very strong.
- Building community support is important.
- Stakeholder involvement (including potential developers) is critical.

A draft summary of the study, called *SEPA and the Promise of the GMA: Reducing the Cost of Development*, is available on the Web site at www.ocd.wa.gov/growth, or by calling 360-725-3000.

Cities modify regulations to create dynamic neighborhoods

First the vision. Then the plan. But it doesn't end there. Communities also need to craft development regulations to help guide developers to create what citizens want.

While development codes have tended to be hefty volumes, many local communities took the opportunity to simplify their development codes after their first GMA plans were adopted. Ways to make new, exciting neighborhoods also were written into the regulations.

Developers like having specific, simplified development codes. It saves them time and money. Citizens appreciate the new, dynamic neighborhoods that are emerging.

Here are three examples of how development regulations are being used creatively to help communities get the livable communities that they want:

Kirkland

Kirkland is a city of nearly 46,000 residents and 30,000 jobs located in an area of 10.4 square miles. Most people would consider it a built-out city, with little vacant land. Even so, the city is located in the heart of the rapidly growing Seattle metropolitan area and was recently assigned a target of 5,480 additional households over the next 20 years. The city's ability to meet this target will depend on creative infill and redevelopment. Amendments to the city's development regulations play an important in achieving our infill targets.

Here are a few of the strategies the city is using:

HIGH DENSITY – Much of the city's future housing will be multifamily located within or adjacent to business districts. Many districts allow housing on upper stories, with density limited only by the permitted height and mass of the buildings. Actual densities of 50 to 100 units per acre are typical in recent downtown developments. Sufficient height is allowed to make structured parking economically feasible. As a preferred upper story use, housing projects are allowed to have additional

stories compared to other permitted uses. Required parking has been reduced to the minimum necessary.

SINGLE-FAMILY – Most new house sites are subdivided from larger lots with existing houses. To maximize development potential, narrow streets are permitted and lot sizes may be slightly reduced when necessary to create an additional lot. There are few constraints on the shape of lots. The city has also adopted interim rules for cottage housing, small houses on small lots, and duplexes designed to look like single-family houses, with density bonuses of 50 percent to 100 percent. To encourage a neighborhood friendly design, regulations limit the floor area to a percentage of the lot area (typically 50 percent), require extra setbacks for garages that extend more than 50 percent of the width of the façade of the house, and allow covered porches to extend into front yard setbacks.

DuPont

A small company town of about 600 in the early 1990s, DuPont now has a population of about 3,300. Specific development regulations have increased performance for DuPont's neo-traditional designed neighborhood and overall planned community known as Northwest Landing.

Once the basic principles of grid-like streets, cars in the back or on the side,

front porches, and buildings pushed to the street were established by planning policies more than ten years ago, focused development regulations have helped to carry out the most important details.

Where the emphasis is placed should be different in each community depending on the goals and character trying to be achieved. In DuPont development regulations are focused on commercial and multifamily design, retention of open space, and saving trees. Regulations in these areas define a range of solutions and help to create predictability for the city and developer.

Mercer Island

Mercer Island, a small island community of 22,000 in Lake Washington, is using development regulations creatively to carry out policies in the city's 1994 comprehensive plan to achieve GMA requirements for accommodating new population.

Since Mercer Island is a built-out community with little vacant land, finding space for constructing new residential housing is a challenge. Two city policies include:

- An aggressive accessory dwelling unit (ADU) program to encourage small dwellings (maximum 900 square feet) as part of existing or new single-family homes.

CONTINUED NEXT COLUMN, BELOW



Development regulations are helping Mercer Island creatively carry out policies to accommodate new population.

CTED PHOTO/RITA R. ROBISON

Tax exemption program helps brighten urban centers

Under the GMA, attractive multi-family housing is springing up in urban areas throughout the state. A number of these projects are taking advantage of a 1995 law that allows cities to set up property tax exemption programs for multifamily housing. In counties with a full set of GMA requirements, cities with a population of more than 30,000 or the largest city may set up these programs to encourage multifamily housing. Building owners in these cities with designated urban centers can apply for ten-year property tax exemptions for new or rehabilitated multihousing projects.

Bellingham

A crane at a key downtown intersection in late December marked the site of Bellingham's fourth new downtown housing development since designating its city center as a Residential Target Area eligible for a ten-year property tax exemption for qualified housing.

Bellingham's citizens, elected officials, and city administration, led by Mayor Mark Asmundson, all deserve credit for making Bellingham's Multifamily Tax Exemption Program work.

Along with setting up the program, the following actions are helping to foster new development downtown.

- City Center Master Plan adopted for the downtown area.
- Streetscape, parking, and signage improvements.
- Developers and investors ready and willing to step up.

- Staff resources focused on problem solving to facilitate downtown development.

- City condemnation of blighted properties, land acquisition, and budget resources in partnership with private development.

- Code changes that improve multifamily housing design and allow housing development that provides choices for residents with and without cars.

Vancouver

The City of Vancouver is in the midst of an aggressive redevelopment in the city's urban core. Vancouver adopted a 20-year vision for the area called the Esther Short Redevelopment and Subarea Plan. The plan calls for the redevelopment of the downtown area where people can work, live, and recreate in the same area.

One of the key tools to help the city achieve this vision is the multifamily tax exemption program for living units of various projects. Working through a public development authority, the city has used this tool to create new living opportunities in what once was an undesirable place to be.

The tax exemption program has led to the creation of 331 market rate condominiums and apartments, as well as 246 units of affordable town homes and apartments. The total investment to date is more than \$146 million dollars of mixed-use projects in a once neglected downtown area. The program is a part of the whole development "pie," but it has been successful in

helping to create an attractive, dynamic neighborhood where people can actually walk to work.

Wenatchee

The City of Wenatchee began using the Multifamily Housing Tax Exemption program in April 1999. City leaders adopted the program with the goal of increasing housing density and reinvestment in the older residential neighborhoods and commercial structures in and around downtown Wenatchee. The tax incentive also provides one more tool for revitalizing the city's downtown.

Examples of projects include:

The rehabilitation of the derelict Deaconess Hospital into 26 low-income senior apartments. The total project cost was \$1.994 million, and \$1.7 million of the costs were attributed to housing. This property sat vacant since 1973.

A 20-unit apartment complex on long-standing vacant property. The project will provide market rate housing in a key location within the city, directly on the bike lane to Wenatchee's Loop Trail, Wenatchee Valley College, and downtown. It is a \$3.4 million project due to be completed March 2004.

In both of these projects, the tax program was a key to make the projects work and a mechanism to gain more housing in Wenatchee's urban center.

Patricia Decker, planning director, City of Bellingham, Allison Williams, community planner, City of Wenatchee, and Gerald Baugh, economic development analyst, City of Vancouver, contributed to this article.

- New mixed-use projects in the Town Center that include high-density apartments with ground floor retail and office that requires pedestrian friendly amenities.

Since 1995 about 173 new ADUs, both attached and detached, have been permitted in existing single-family residential zoning districts. This success was a result of streamlining the permitting process for ADUs, a good public education and information program, and low fees for permitting.

In addition, within the Town Center, 776 new high-density dwelling units are planned as part of seven, new mixed-use projects. Forty-six units are completed or under construction, 492 units have city Design Commission approval and are scheduled for construction in summer 2003, and 228 units are in preliminary design review with developers.

The success of the Town Center's mixed-use projects is a result of new design standards adopted by the city. Private developers now have a predict-

able process that is user friendly, provides additional height of buildings in exchange for quality design amenities, has no density limitations, and offers flexibility of design with options and choices for a wide variety of pedestrian amenities.

Planning directors Eric Shields, City of Kirkland, Dennis Clarke, City of DuPont, and Richard Hart, City of Mercer Island, contributed to this article.

Communities fine-tune impact fees for projects, areas

Under the GMA, impact fees are one method local governments can use to pay for growth. Two Washington communities have made adjustments to their impact fee schedules to encourage certain kinds of development or development in designated areas.

Redmond

The City of Redmond adopted impact fees in 1997 for transportation, fire, park, recreation, trail, and open space facilities. The impact fee system, though initially more complicated to establish than case-by-case mitigation, is more consistent, fair, and predictable than the previous SEPA-based approach to mitigation. It can be relied on to help fund capital improvements needed for growth.

As with the previous SEPA-based system, Redmond's adopted fee ordinance allows impact fees to be adjusted in certain cases. For example:

- The city council can waive impact fees for affordable housing (housing for those earning 60 percent or less of the regional median income). Recently, when the city council has chosen to waive fees, they have also transferred city general funds as required by RCW 82.62.060(2) to the

capital fund in an amount equivalent to the waived fees, to ensure the needed revenue stream for facilities will be maintained. The council also established a fund to pay impact fees for future low-income housing developments.

- By administrative decision, staff can allow a recalculation of fees based on information from the applicant. For example, an employer may be able to demonstrate a lower trip production rate than the national norm, and the trip based impact fees would be reduced. In a recent case, a proposed day care facility was able to demonstrate that since their clients would come from existing employees working within a one-mile radius, no new trips would be generated by the facility, and no transportation impact fees would be assessed. The day care facility will still need to address any on-site impacts.

This kind of adjustment to impact fees is essential to ensure that Redmond can attract low-income housing and can assess impact fees based on actual impacts, rather than a blind formula.

For the next plan update, the city will be evaluating the possibility of lower impact fees, and a higher general fund

contribution, to facilities in certain districts such as the urban centers. The goal would be to promote development within the urban centers, where trips can be reduced because of the mix of uses and availability of transit. This is one of other potential adjustments to the system that may be identified to better achieve city goals.

Olympia

Olympia has encouraged downtown development for decades, using public investments, higher service levels, housing subsidies, and real estate tax exemptions. These strategies have generated millions of dollars of private investment.

Even so, little downtown market-rate housing has been built. Real estate consultants recently found a large pent-up demand, but higher development costs impede potential projects. These costs discourage commercial investment too.

In 2001 the city recalculated its downtown impact fees after finding that projects in the downtown cause fewer impacts compared to projects in outlying areas. Olympia cut multifamily housing rates 46 percent, services rates 58 percent, restaurant rates 74 percent, and office rates 34 percent. The city dropped its sewer

hook-up fees 44 percent. It waived parking requirements for simple changes of use.

Under the new fees, a restaurant has opened in a former tire store. A new bank is under construction. A mixed-use project with a dentist office and four apartments has obtained permits. Also under review: an 85,000 square-foot office building; a 26-unit apartment; and a mixed-use project with 120,000 square feet of office, 5,000 square feet of retail, and 26 apartments.

Roberta Lewandowski, planning director, City of Redmond, and Peter Swensson, senior planner, Thurston Regional Planning Council, contributed to this article.



Under Olympia's new fee schedule, a restaurant has opened in a former tire store.

Communities simplifying building codes

One way local governments can further the cause of regulatory reform in their communities is to examine their building codes. Some communities are finding ways to change their building codes to allow more flexibility and to reduce regulatory burdens.

Bellevue

Bellevue is one of a growing number of cities to allow wood-framed apartments and condos to be one floor taller. Bellevue now allows five stories of wood-framed construction over a concrete ground floor. This change from the previous four stories over a concrete base will promote higher density residential development by allowing a broader use of the lower cost, wood-framed construction type as compared with concrete and steel.

The State Building Code provides authority to cities and counties to adopt changes to the code as it applies within the jurisdiction, as long as minimum performance standards are not diminished. To allow for the increase in height, Bellevue now requires additional fire and life safety features be incorporated into building construction.

The city anticipates that future downtown projects will take advantage of this increase in building height and better maximize the zoning capacity of the Bellevue Urban Center.

Port Townsend

The City of Port Townsend is using a "smart code" approach to facilitate the rehabilitation of the city's many historic commercial buildings.

In 2001 the city received a grant from CTED to evaluate the effect of existing building codes on rehabilitation projects. The city's consultants reviewed a number of building codes including the *New Jersey Subcode for Rehabilitation of Existing Commercial Buildings*, the *1997 Uniform Building Code*, *Washington State*



Use of a 'smart code' is helping Port Townsend restore many of the city's historic commercial buildings.

CTED PHOTO/RITA R. ROBISON

Historic Building Code, the Uniform Code for Building Conservation, Guidelines for Rehabilitation of Existing Buildings, and draft International Existing Building Code.

The result of this work was the *2001 City of Port Townsend Guide to Codes for Existing Buildings*. This guide addresses code comparisons and common building rehabilitation issues such as fire sprinklers, guardrails, exiting, and seismic retrofits. The consultants concluded that existing building codes can provide flexibility for commercial building rehabilitation projects not available to new construction projects. However, building designers must research the application of alternative building codes to their clients' project in order to determine the most practical code provisions and discuss such possibilities with the local building department early in the design process.

Seattle

The City of Seattle has been approving a single exit option for residential structures for a number of years. The option is based on NFPA 101, a national fire prevention code, and requires fire-rated construction throughout the building, including corridors, pressurized exit stairways and elevators, and sprinklers, with a maximum

of four units per floor and a maximum travel distance from the unit to the exit stairway of 20 feet.

The option can be used for up to five stories of residential occupancy in a six story structure. The single-exit option is particularly advantageous for housing developers working with highly confined, infill lots.

Emil King, AICP, senior planner, Bellevue Department of Planning and Community Development, Jeff Randall, director, Port Townsend Building and Community Development, and Alan Justad, community relations supervisor, Seattle Department of Design Construction and Land Use, contributed to this article.

Community divided on an issue?

Growth Management Services maintains a list of experienced land use mediators from throughout the state that are able to provide assistance in resolving planning issues.

If you would like to obtain a copy of the list, or if you want to have your name included on it, call 360-725-3000 or e-mail janu@cted.wa.gov.

Use of innovative techniques in historic preservation

By Greg Griffith, AICP

Deputy State Historic Preservation Officer, Office of Archaeology and Historic Preservation, CTED

The application of local regulations such as zoning, subdivision, and building codes may have direct impact on historic properties, including archaeological resources, for the positive as well as the negative.

A growing number of communities in Washington and throughout the nation have found that zoning codes can be used creatively to encourage preservation of historic properties or foster a real estate market that favors preservation of historic buildings. These zoning provisions include mechanisms that identify and protect designated historic properties by defining uses and appropriate design guidelines.

Subdivision codes may have more impact on archaeological resources. In Washington, Clark County has been the leader in protecting archaeological sites in the midst of new housing developments.

As Jeff Randall states in his article on page 7, building codes have major impacts on historic properties, especially as these codes drive the rehabilitation of historic properties for new uses.

The following examples demonstrate how two communities have used development regulations to achieve historic preservation objectives.

Bellingham

Recent rehabilitation of downtown Bellingham's historic Oakland Block building demonstrates how innovative techniques can be used in historic preservation. Built in 1890, the building was reopened in July 2002 for 20 low-to moderate-income housing units plus commercial and office space.

With listing in the National Register of Historic Places in 1999, the architectural firm Stickney Murphy Romine set to



Dayton's Guernsey-Sturdevant Building is a good example of the use of historic preservation and local zoning codes to restore a historic building.

PHOTO COURTESY OF OAHIP

work with developers and the Bellingham Housing Authority to ensure that the project "penciled out" while at the same time protecting historic building appearance. A financing package was developed utilizing private sources, grants, and federal investment tax credits (ITC) for historic preservation. Owners of income-generating properties listed in the National Register of Historic Places are eligible to apply for the 20 percent ITC following the certifiable rehabilitation of such properties.

The rehabilitated Oakland Block now contributes to meeting Bellingham's need for affordable housing units plus creation of jobs and commercial activity in the downtown area.

Dayton

The City of Dayton, the Columbia County seat in southeast Washington, finds itself in the midst of significant changes. Leaning heavily on economic mainstays of food and lumber processing, Dayton was stagnating in the post World War II years as highway improvements favored

larger regional hubs such as Walla Walla, Spokane, and the Tri-Cities. However, by the 1980s, local leaders began to aggressively pursue historic preservation as a means to reinvent itself.

Restoration of the historic Dayton Depot and a complementary annual festival began opening eyes to the community's rich history. Perhaps the best example of the use of historic preservation and local zoning codes is the rehabilitation of the 1890s Guernsey-Sturdevant Building for shops and apartments and lavish renovation of the adjacent Weinhard Hotel. City of Dayton codes encouraging multiple uses in the downtown area coupled with historic building rehabilitation tax incentives were key to making these projects happen.

Dayton City Planner Jay Lyman thinks that property owners working with the local historic preservation commission have created the new energy. "They had a well thought out plan that made good use of local zoning and preservation incentives to maximize use of those buildings."

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